

TEXAS DEPARTMENT OF INSURANCE DIVISION OF WORKERS' COMPENSATION

1

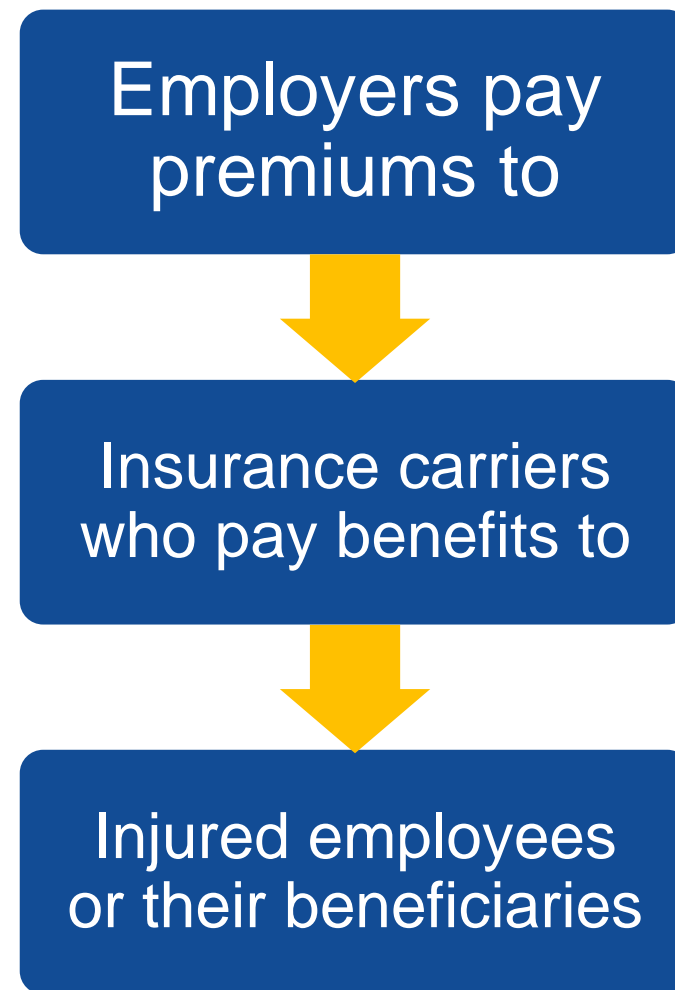
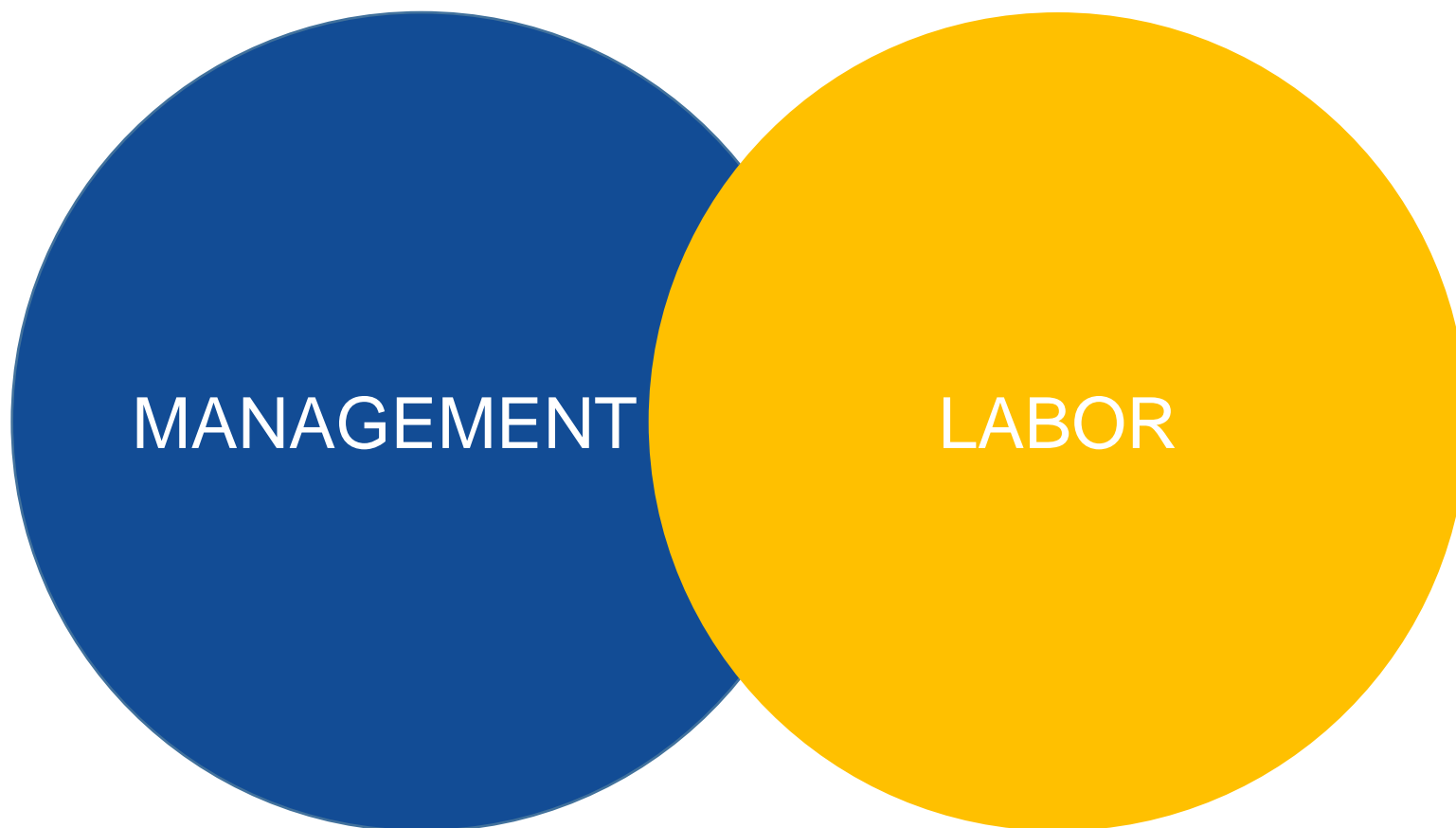
What is Workers' Compensation?

State Regulated Insurance Program

- Pays medical bills
- Pays some lost wages
- Not mandatory in Texas, some exceptions
 - Governmental entities and employers that want to contract with governmental entities are required to carry workers' compensation



THE GRAND BARGAIN



2

What is the Division of Workers' Compensation (DWC)?



Division of Workers'
Compensation

MISSION

Regulate Texas workers' compensation efficiently, educate system participants, and achieve a balanced system in which everyone is treated fairly with dignity and respect.



DWC regulates and administers the workers' compensation system, ensuring that the Texas Labor Code and other laws regarding workers' compensation are implemented and enforced.

20

field offices
statewide



440

budgeted full-time
employees

Dispute Resolution

Helps resolve income disputes
and certain medical disputes

Claims and Customer Services

- Educates injured employees and other system participants
- Helps parties communicate and resolve issues

Compliance and Investigations

- Monitors compliance by system participants
- Investigates allegations of workers' compensation insurance fraud
- Enforces violations to the workers' compensation system

DWC is funded primarily through a self-leveling maintenance tax paid by insurance carriers and self-insured employers.

Health Care Management

- Reviews actions of health care providers
- Provides outreach and education to health care providers
- Provides workplace safety education to employers and employees



Workers' compensation is a state-regulated insurance program that pays medical bills and replaces some lost wages for employees who are injured at work or who have work-related diseases or illnesses.

DWC does not pay benefits on workers' compensation claims. Insurance carriers (including licensed insurance carriers, government entities, certified self-insured employers, and group self-insured employers) pay benefits.

TDI

Division of Workers'
Compensation

By the Numbers

77,616

claims filed in 2019, a
36% decline since 2004.



92%

of claims do not go through
dispute resolution.



300

insurance carriers write
workers' compensation
insurance in Texas.



81%

private employees are
covered by workers'
compensation.



81%

reduction in most
addictive opioid
prescriptions since 2011.



\$2.52 billion

in total direct written premiums
in Texas.

71%

of employers have
workers' comp.

42%

decline in injury rates
since 2005.

\$0.63

per \$100 of payroll
rates have decreased by
about 73% since 2005 reforms.

262,455

total policies written per year.



DWC regulates workers' compensation benefits in Texas. DWC ensures participants are in compliance with rules, helps resolve disputes with insurers and employers, and provides workplace safety and health services.

3

Benefits in Workers' Compensation

Types of Indemnity Benefits

- Temporary Income Benefits
- Impairment Income Benefits
- Supplemental Income Benefits
- Lifetime Income Benefits
- Death Benefits
- Burial Benefits



MEDICAL BENEFITS

Paid for by insurance carrier for treatment that's compensable and reasonable and necessary

- Providers can't bill injured employees
- Providers must follow fee guideline



4

Customer Service and Education



Claims and Customer Services

- Educate injured employees and other system participants
- Staff located in most field offices
- Virtual Call Center
- Single Points of Contact
- Spanish Call Center

5

What is dispute resolution?



INDEMNITY DISPUTES

Benefit Review Conference

- Informal mediation with Benefit Review Officer

Contested Case Hearing (CCH)

- Formal hearing with Administrative Law Judge

Appeals Panel

- 3-judge panel to review appeals of CCH decisions

6

Healthcare Management and Workplace Safety



Healthcare Management

- Reviews actions of health care providers
- Provides outreach and education to healthcare providers - such as workers' compensation 101 and a series of webinars
- Review complaints on quality of care



Workplace Safety

- Provides workplace safety education to employers and employees
- Provides health and safety training both in field offices and at worksites
- Provides free safety evaluations of work sites
- Produces and distributes safety and health publications

7

Compliance and Investigations



COMPLIANCE AND INVESTIGATIONS

- Reviews complaints
- Conducts audits
- Establishes performance based oversight system
- Reviews electronic data
- Pursues enforcement actions
- Investigates suspected fraud

8

What is Texas Workers' Compensation Research and Evaluation Group (REG)?

The REG

A unique research arm of DWC, whose research and analysis have been a trusted resource for

- the Texas Legislature,
- our stakeholders, and
- other research entities across the country.

Questions?